



ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
PHONE (501) 371-2605
<http://www.state.ar.us/insurance>

2003 HM-T INSTRUCTIONS
ACCOUNTING DIVISION

PREMIUM TAX FILING INSTRUCTIONS HOSPITAL/MEDICAL SERVICE CORPORATIONS

DUE DATE: MARCH 1, 2004

FILING REQUIREMENTS: IN ONE PACKET ENCLOSE

- ☐ 2003 FORM AID AC HM-T (ANNUAL REPORT OF PREMIUMS, CO-PAYMENTS, TAXES AND FEES); SUPPORTING DOCUMENTATION AND CHECK ATTACHED
- ☐ 1 COPY OF 2003 UNDERWRITING & INVESTMENT EXHIBIT, PART 1 (PAGE 8)
- ☐ 1 COPY OF ARKANSAS DIRECT BUSINESS PAGE
- ☐ 1 COPY OF SCHEDULE T (**MUST** BE REPORTED IN DIRECT WRITTEN PREMIUMS)

MAILING ADDRESS FOR PREMIUM TAX FILINGS AND PAYMENTS:

ACCOUNTING DIVISION
ARKANSAS INSURANCE DEPT.
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904

**DO NOT MAIL PREMIUM TAX FORMS AND CHECKS WITH THE
ANNUAL STATEMENT OR ANY OTHER CORRESPONDENCE.**

FOR QUESTIONS CONCERNING THE COMPLETION OF THE TAX FORMS CONTACT:

ACCOUNTING DIVISION
(501) 371-2605
Email: Insurance.Accounting@mail.state.ar.us

PENALTIES: ALL TAX FORMS ARE SUBJECT TO PENALTY IN ACCORDANCE WITH ACA 26-57-607. THE ARKANSAS INSURANCE DEPARTMENT DOES NOT ACCEPT THE POSTMARK DATE FOR FILING REQUIREMENTS. ALL TAX FORMS MUST BE RECEIVED IN OUR DEPARTMENT ON OR BEFORE MARCH 1, 2004. PAYMENTS ARE TO BE ATTACHED TO THE APPROPRIATE FORM

CONSUMER INFORMATION ASSESSMENT FEE: ACA 23-63-108 HAS BEEN REPEALED. THE DEPARTMENT NO LONGER COLLECTS THIS FEE.

2003 MANDATORY ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL **DO NOT INCLUDE THIS FORM WITH YOUR PREMIUM TAX FILINGS.** THIS FORM CAN BE DOWN LOADED AT www.state.ar.us/insurance. SCROLL DOWN AND CLICK ON ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL. IF YOU HAVE ANY QUESTIONS, DIRECT INQUIRIES TO (501) 370-2659. **MAIL TO THE ADDRESS ON THE FORM.**

FOR QUESTIONS REGARDING THE DEPARTMENT OF HEALTH FILING REQUIREMENTS AND FEES, DIRECT INQUIRIES TO (501) 661-2201. **DO NOT INCLUDE ANY OF THE FORMS/FEES FOR THE DEPARTMENT OF HEALTH WITH YOUR PREMIUM TAX FILINGS.**

INSTRUCTIONS FOR AID AC HM-T (Annual Report Of Premiums, Taxes, And Fees)**SECTION A: Information regarding the Arkansas credits****Affordable Neighborhood Housing Tax Credit** §§ 15-5-1303 to 15-5-1304

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority.

Low-Income Housing Tax Credit § 26-51-1702

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement.

County or Regional Industrial Development Corporation on Limited Liability Company § 15-4-1224

Insurers may take a premium tax credit for investments in a county or regional industrial development firm. The credit is equal to 33.33% of the actual purchase price of stock or units of interest and fees paid (with limitations). The maximum credit in one tax year is 50% of the net premium tax liability. Excess may be carried forward for three years.

Capital Development Corporation Tax Credit §§ 15-4-1026, 15-4-1029(f)(1)

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third ($33 \frac{1}{3}$) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019.

Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

REFUNDS:

If a refund is due for AID AC HM-T (annual report of premiums, taxes, and fees) check the line on page 1, in the upper right hand corner.



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ACCOUNTING DIVISION
DUE MARCH 1, 2004

___ ORIGINAL FILING

___ AMENDED FILING

___ REFUND DUE

**ANNUAL REPORT OF PREMIUMS, TAXES AND FEES
OF ALL HOSPITAL / MEDICAL SERVICE CORPORATIONS**

NAIC COMPANY CODE (5 digit code)		STATE OF DOMICILE
COMPANY NAME		
MAILING ADDRESS		
CONTACT PERSON		
TELEPHONE NUMBER	EXT	FAX NUMBER
EMAIL ADDRESS		

ARKANSAS TAX

A. COMPUTATION OF PREMIUM TAX:

2003 Annual Statement, page 8 Underwriting and Investment
Exhibit, Part 1, Column 1, less Federal Employees Health
Benefits plan premiums and HCFA Payment.

- | | |
|--|-------------|
| 1. Total Direct Written Premium and Co-Payments | \$ _____ |
| 2. 2 1/2% Tax | \$ _____ |
| 3. Affordable Neighborhood Housing Credit | \$(_____) |
| 4. Low Income Housing Tax Credit | \$(_____) |
| 5. County and Regional Industrial Development Corporation Credit | \$(_____) |
| 6. SUBTOTAL OF PREMIUM TAX DUE (line 2 less 3 thru 5) | \$ _____ |
| 7. Capital Development Corporation Tax Credit | \$(_____) |
| 8. TOTAL PREMIUM TAX DUE (6-7) | \$ _____ |
| AMOUNT CANNOT BE LESS THAN ZERO | |

B. FEES:

- | | |
|--------------------------------------|------------------|
| 9. Filing Annual Statement | \$ <u>50.00</u> |
| 10. Certificate of Authority Renewal | \$ <u>100.00</u> |
| 11. Total Fees | \$ <u>150.00</u> |

C. CALCULATION OF NET PAYMENT DUE:

- | | |
|--|------------------|
| 12. Premium Tax from Section A(8) | \$ _____ |
| 13. Premium Tax Credit for Arkansas Salaries (Schedule IC-PT)
NOT TO EXCEED 80% of Section A(2) | \$(_____) |
| 14. Total of all Premium Tax Due (lines 12-13) | \$ _____ |
| 15. Fees | \$ <u>150.00</u> |
| 16. Subtotal of Premium Tax and Fees (line 14 + 15) | \$ _____ |
| 17. Less 2003 Quarterly Prepayments AID AC EST-Q | \$(_____) |
| 18. NET PAYMENT DUE (line 16-17) | \$ _____ |

*****PAYMENTS AND REFUNDS*****

- 1. MAKE CHECK PAYABLE TO THE STATE TREASURER OF THE STATE OF ARKANSAS AND ATTACH TO THIS FORM.**
CHECKS FOR GROUPS ARE NOT ACCEPTABLE. PAYMENT MUST BE MADE FOR EACH INDIVIDUAL COMPANY.
DO NOT TAKE ANY CREDITS FOR PRIOR YEAR OVERPAYMENTS
- 2. IF THE NET PAYMENT OF SECTION C (18) RESULTS IN A REFUND, DO NOT SEND PAYMENT FOR THE FEES IN SECTION B (11).**
- 3. REFUNDS WILL BE SENT AFTER THE RETURN IS AUDITED.**

SCHEDULE IC-PT**LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE
ORGANIZATION SALARY ANNUAL OFFSET**

Each authorized life or accident and health insurer, including an HMO, may take an annual credit for non-commissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%; or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months in Arkansas for the wages to qualify.

The Company reports as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: _____
2. Amount of non-commissioned salaries and wages paid to individuals listed in item 1 above:
_____.
3. Complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1.
 - a.
 - b.
 - c.

Attach additional sheets if necessary.

ATTACH THE FOLLOWING BEHIND 2003 AID AC HM-T

() ARKANSAS UNDERWRITING & INVESTMENT EXHIBIT, PART 1, (PAGE 8)

() SCHEDULE T

() ONE CHECK FOR THE NET PAYMENT DUE OF AID AC HM-T

AFFIDAVIT

State of _____ County of _____

Comes _____ and states on oath that he/she is the

_____ of _____
(Title) (Name of Company)

and that the foregoing statements are true and correct as shown by the records of said Company.

(Original signature of officer)

Subscribed and sworn to or affirmed before me, the undersigned Notary Public, on this the _____ day of _____, 20_____

My Commission Expires _____

NOTARY PUBLIC